

**CALENDAR ITEM
C22**

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04/20/17
PRC 8655.1
M. Schroeder

AMENDMENT OF LEASE

LESSEE:

Ski Run Marina, LLC, a Delaware Limited Liability Company

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in Lake Tahoe, adjacent to 900 Ski Run Boulevard, city of South Lake Tahoe, El Dorado County.

AUTHORIZED USE:

Continued use, operation, and maintenance of 71 mooring buoys, eight marker buoys, three piers, and associated authorized activities related to the operation of a commercial marina known as Ski Run Marina.

LEASE TERM:

20 years, beginning December 8, 2005.

CONSIDERATION:

Minimum annual rent in the amount of \$4,912 per year, against five percent of gross income derived from the rental of mooring buoys, personal watercraft, motorboats, kayaks, paddleboats, hydro bikes, canoes, a parasail operation, a fishing boat operation, and 10 percent of all other gross income generated on the Lease Premises; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Amend the lease to:

1. Authorize the proposed extension of the existing main pier to include installation, use, and maintenance of a new 126-foot long by 12-foot wide floating pier, with a perpendicular finger pier 18 feet long by 8 feet wide located on each side of the floating pier, a six-foot wide ramp, and fourteen, 12-inch steel guide piles.
2. Include special lease provisions related to construction.

CALENDAR ITEM NO. **C22** (CONT'D)

3. Replace the existing Section 3, Land Description, with the attached Exhibit A, Land Description, Exhibit B-1, Site and Location Map: Buoy Field and Channel Marker Buoys (for reference purposes only), and Exhibit B-2, Site and Location Map: Piers and Marina Entrance (for reference purposes only).

All other terms and conditions of the lease shall remain in effect without amendment.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, section 2000, subdivision (b).

Public Trust and the State's Best Interests Analysis:

The Lessee owns the upland adjoining the lease premises. On December 8, 2005, the Commission authorized a 20-year General Lease – Commercial Use to East River Terrace Partners, a Minnesota General Partnership dba Ski Run Marina for 71 existing mooring buoys, eight marker buoys, three piers and associated authorized activities related to the operation of a commercial marina known as Ski Run Marina ([Calendar Item C30, December 8, 2005](#)). On April 26, 2013, the Commission authorized an agreement and consent to encumbrancing of the lease and an assignment of the lease to Ski Run Marina, LLC, a Delaware Limited Liability Company ([Calendar Item C08, April 26, 2013](#)). That lease will expire on December 7, 2025.

The Lessee is now applying to amend the lease for the proposed installation, use and maintenance of a new floating pier extension attached to the existing main pier, with a perpendicular finger pier located on each side of the floating pier extension, a ramp, and fourteen, 12-inch diameter steel guide piles. The proposed extension of the existing main pier located waterward of the low water mark will allow for continual operation of large passenger vessels during low water conditions. A separate lease, Lease No. PRC 8705.1, issued to Lake Tahoe Cruises, LLC authorizes commercial operation, maintenance, and overnight berthing of two passenger vessels, known as the Tahoe Queen and the Tahoe Paradise at Ski Run Marina, and docking at various locations around Lake Tahoe for the loading and unloading of passengers. Large passenger vessels like these are not able to safely load and unload passengers during low water conditions. The proposed extension will be sited adjacent to the marina's existing dredged channel to accommodate

CALENDAR ITEM NO. **C22** (CONT'D)

the loading and unloading of passengers for the larger vessels during these conditions.

The floating pier extension is completely manufactured offsite with the components drop-shipped to the assembly site. The components will be connected onsite with hand tools and local labor. Once assembly is complete, the unit will be floated into position and anchored by driving the guide piles into place with a barge mounted mechanical pile driver. Construction will take place after all required approvals are obtained.

The lease includes certain provisions protecting the public use of the proposed lease area, including a lease term limited to 20 years, a non-exclusive use provision, and a reservation to the people of the State of an easement for access to and across the lease area. The proposed facilities will not significantly alter the land, alienate the State's fee simple interest, or permanently impair public rights. Upon termination of the lease, the Lessee may be required to remove any improvements and restore the lease premises to their original condition. Based on the foregoing, Commission staff believes that the proposed construction to extend the main pier will not substantially interfere with Public Trust needs, at this location, at this time, or for the foreseeable term of the lease.

The lease requires the Lessee to insure the lease premises and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease also requires the payment of annual rent to compensate the people of the State for the occupation of the public land involved. For all the reasons above, Commission staff believes the issuance of this lease amendment is consistent with the common law Public Trust Doctrine and in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 3, New Construction or Conversion of Small Structures; California Code of Regulations, title 14, section 15303.

CALENDAR ITEM NO. **C22** (CONT'D)

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

3. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

U.S. Army Corps of Engineers
California Department of Fish and Wildlife

FURTHER APPROVALS REQUIRED:

Tahoe Regional Planning Agency
Lahontan Regional Water Quality Control Board

EXHIBITS:

- A. Land Description
- B1. Site and Location Map: Buoy Field and Channel Marker Buoys
- B2. Site and Location Map: Piers and Marina Entrance

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 3, New Construction or Conversion of Small Structures; California Code of Regulations, title 14, section 15303.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed amendment of Lease No. PRC 8655.1 will not substantially impair public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and is consistent with the common law Public Trust Doctrine, and is in the best interests of the State.

CALENDAR ITEM NO. **C22** (CONT'D)

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize the amendment of Lease No. PRC 8655.1, a General Lease – Commercial Use, effective April 20, 2017, to approve the proposed installation, use, and maintenance of a new 126-foot long by 12-foot wide floating pier extension attached to the existing main pier, with a perpendicular finger pier 18 feet long by 8 feet wide located on each side of the floating pier extension, a six-foot wide ramp, and fourteen, 12-inch steel guide piles; to include special lease provisions related to construction; and to replace the existing Section 3, Land Description, with the attached Exhibit A, Land Description, Exhibit B-1, Site and Location Map: Buoy Field and Channel Marker Buoys (for reference purposes only), and Exhibit B-2, Site and Location Map: Piers and Marina Entrance (for reference purposes only); all other terms and conditions of the lease shall remain in effect without amendment.

EXHIBIT A

PRC 8655.1

LAND DESCRIPTION

Three parcels of submerged land situate in the bed of Lake Tahoe, lying adjacent to and northwesterly of that parcel of land as described in Grant Deed, recorded March 20, 2003 in Document Number 2003-50219 in Official Records of El Dorado County, State of California, more particularly described as follows:

PARCEL 1 – (Pier)

BEGINNING at the point which bears North $36^{\circ} 58' 15''$ East 8810.17 feet from the NGS monument PID AE9848 (Epoch 2010.00) having CCS83 Zone 2 coordinates of Northing (y) = 2107517.07 feet, Easting (x) = 7136557.88 feet; thence from said point of beginning the following four (4) courses:

1. North $15^{\circ} 13' 04''$ West 274.61 feet;
2. North $74^{\circ} 46' 56''$ East 87.64 feet;
3. South $15^{\circ} 13' 04''$ East 274.61 feet;
4. South $74^{\circ} 46' 56''$ West 87.64 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of elevation 6223 feet LTD on the shoreline of said Lake Tahoe.

PARCEL 2 – (71 Buoy Field)

BEGINNING at the point which bears North $33^{\circ} 28' 11''$ East 8124.22 feet from the NGS monument PID AE9848 (Epoch 2010.00) having CCS83 Zone 2 coordinates of Northing (y) = 2107517.07 feet, Easting (x) = 7136557.88 feet; thence from said point of beginning the following four (4) courses:

1. North $26^{\circ} 32' 38''$ West 1780.00 feet;
2. North $63^{\circ} 27' 22''$ East 945.00 feet;
3. South $26^{\circ} 32' 38''$ East 1780.00 feet;
4. South $63^{\circ} 27' 22''$ West 945.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying within above described PARCEL 1.

PARCEL 3— (8 Channel Marker Buoys Field)

BEGINNING at the point which bears North $34^{\circ} 27' 54''$ East 9033.57 feet from the NGS monument PID AE9848 (Epoch 2010.00) having CCS83 Zone 2 coordinates of Northing (y) = 2107517.07 feet, Easting (x) = 7136557.88 feet; thence from said point of beginning the following four (4) courses:

1. North $18^{\circ} 09' 25''$ West 1310.00 feet;
2. North $65^{\circ} 35' 48''$ East 200.00 feet;
3. South $18^{\circ} 09' 25''$ East 1310.00 feet;
4. South $65^{\circ} 35' 48''$ West 200.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying within above described PARCEL 2.

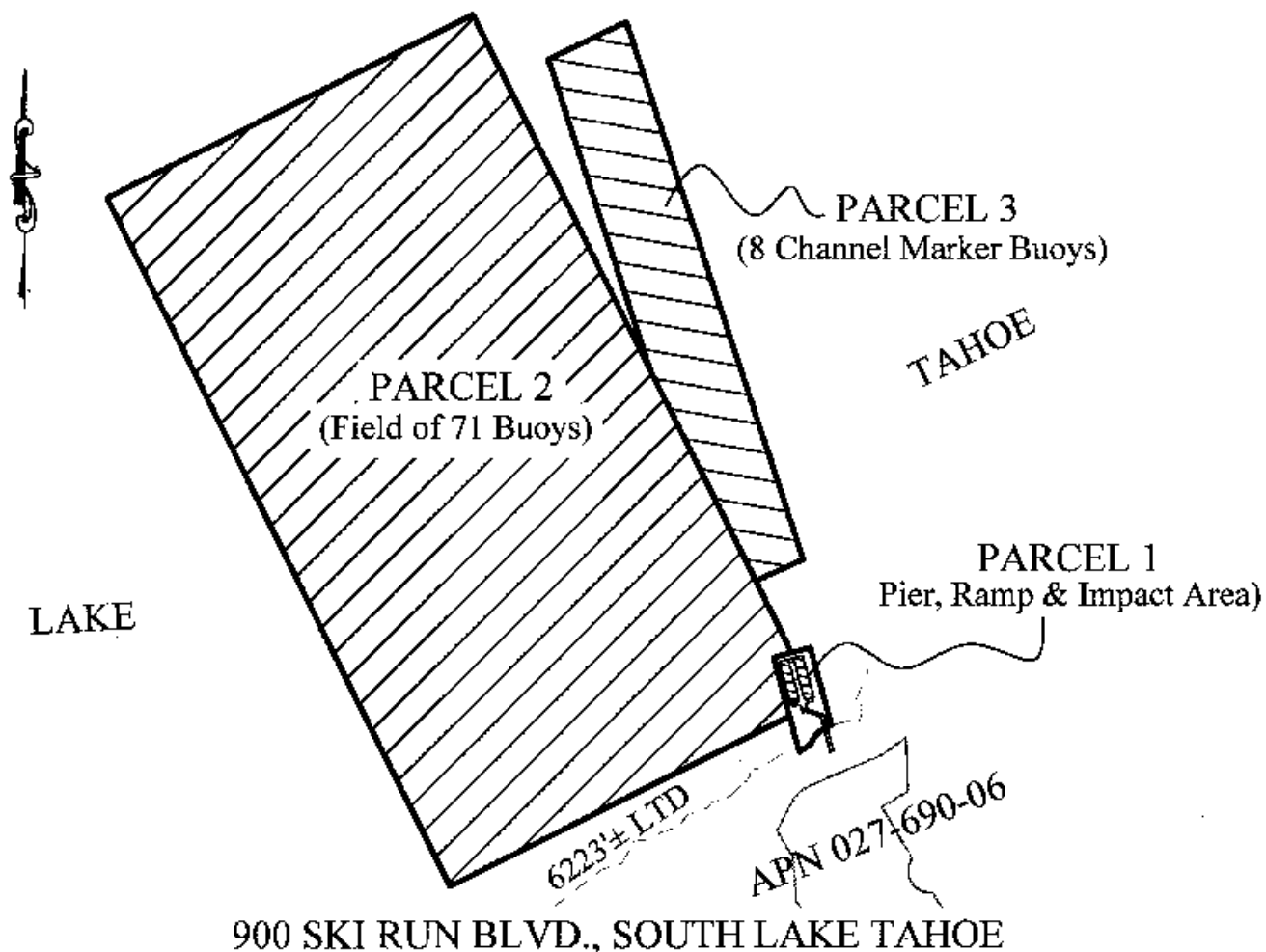
END OF DESCRIPTION

Prepared 02/28/2017 by the California State Lands Commission Boundary Unit



NO SCALE

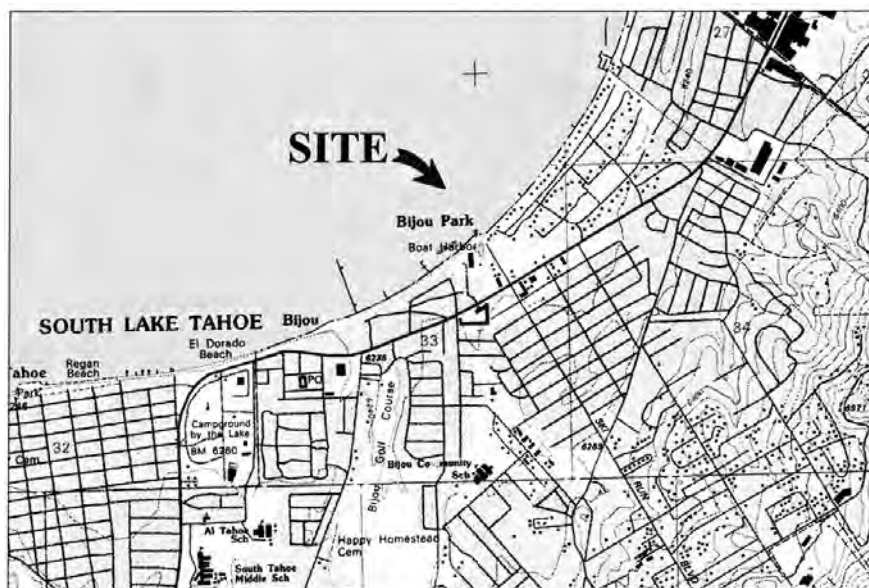
SITE



900 SKI RUN BLVD., SOUTH LAKE TAHOE

NO SCALE

LOCATION MAP



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, and is not intended to be, nor shall it be construed as a waiver or limitation of any state interest in the subject or any other property.

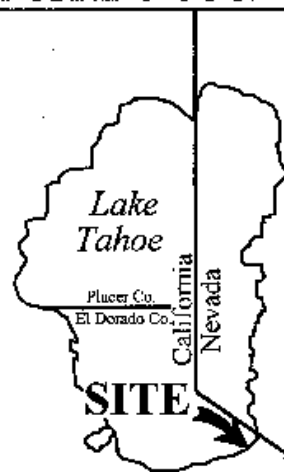
EXHIBIT B-1

PRC 8655.1

SKI RUN MARINA, LLC

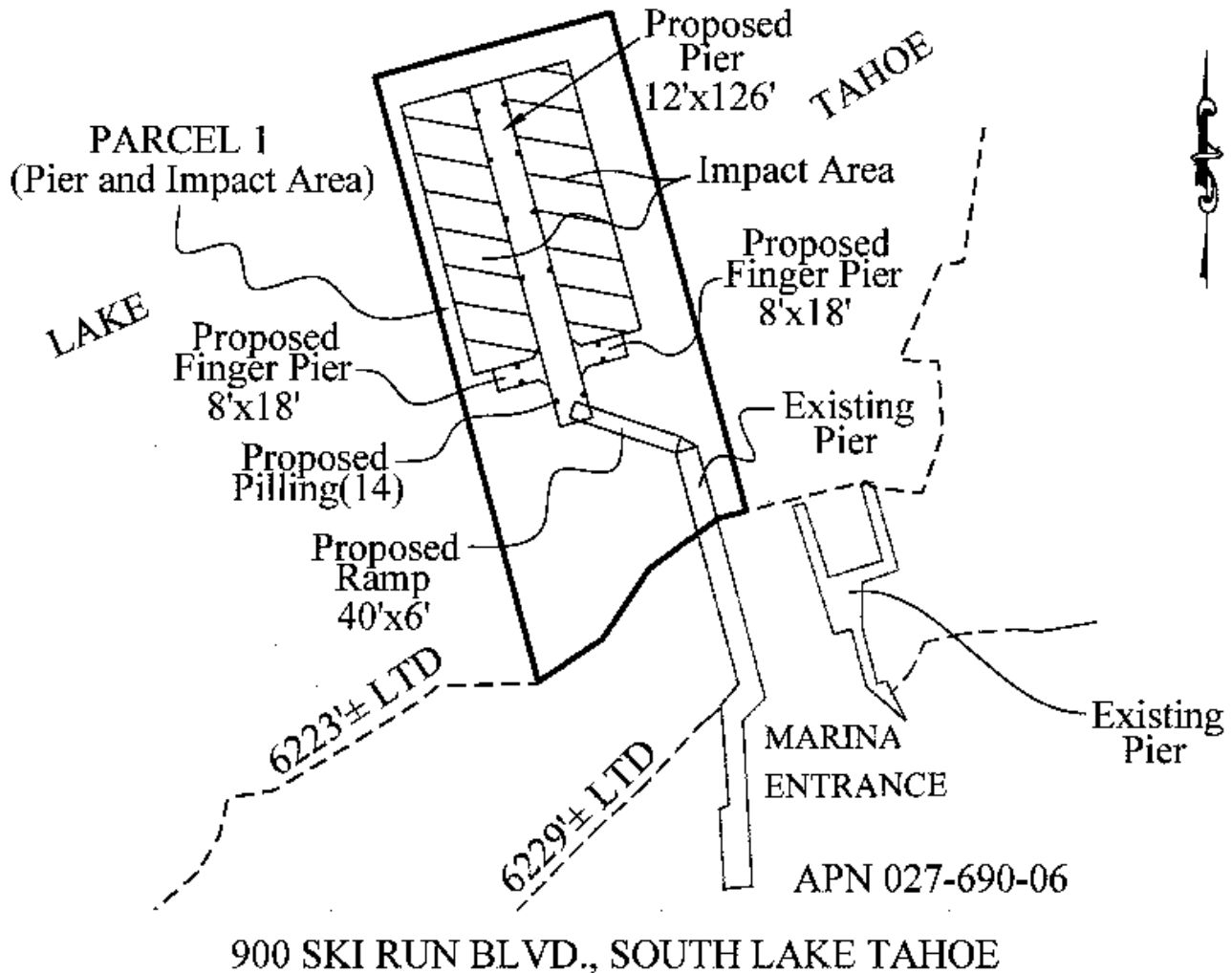
APN 027-690-06

GENERAL LEASE-
COMMERCIAL USE
EL DORADO COUNTY



NO SCALE

SITE



NO SCALE

LOCATION MAP



MAP SOURCE: USGS QUAD

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EXHIBIT B-2

PRC 8655.1
SKI RUN MARINA, LLC
APN 027-690-06
GENERAL LEASE-
COMMERCIAL USE
EL DORADO COUNTY



SHEET 2 OF 2 SHEETS

TS 02/28/17